

***Special State Reserve Funds  
for Children with Disabilities***

***Procedures and Instructions***

**Fiscal Year 2018-2019**

**Contact for additional information and  
submitting applicable Special State Reserve Fund  
forms via postal mail:**

Lori Peterson, Special Projects Consultant  
Special Programs and Data Section  
Exceptional Children Division  
N.C. Department of Public Instruction  
6356 Mail Service Center  
Raleigh, North Carolina 27699-6356

Phone: (919) 807-3932  
Email: [Lori.Peterson@dpi.nc.gov](mailto:Lori.Peterson@dpi.nc.gov)

## **Procedures and Instructions for Special State Reserve Funds Table of Contents**

The references listed below are information and directions to guide the LEA with completing the Special State Reserve Funds (SSRF) application for children with disabilities and submitting updated information throughout the year.

<b>Reference I:</b>	<b>Procedures for Requesting and Reverting Special State Reserve Funds</b>	
	Basis of Application Approval	Page 2
	Change in Condition	
	Child Ineligibility	
	Funding Requests	
	Personnel	Page 3
	Contracted Services	
	Equipment	
	Approval Notification	
	Denial of Request	
	Amending a Request	
	Withdrawals or Changes in Services	
	Reverting Funds	Page 4
	Reuse of Funds	
	Validation Visits	
<b>Reference II</b>	<b>Fiscal Requirements</b>	Page 5
<b>Reference III</b>	<b>Instructions for Completing a <i>Special State Reserve Funds Application</i> (SSRF-1)</b>	Page 6
<b>Reference IV:</b>	<b>Instructions for Completing a <i>Special State Reserve Update Form</i> (SSRF-2)</b>	Page 8

**SSRF forms** to be completed for submission are included in the list of supporting documents for the Special State Reserve Funds application on the Exceptional Children Division website, located under the Finance and Grants tab.

## Procedures for Requesting and Reverting Special State Reserve Funds

Special State Reserve Funds (SSRF) for children with disabilities are not intended to replace any existing state, federal or local exceptional children funds. All **applications must be submitted via postal mail**, not email. Email is considered public record and children's information must remain confidential. The child must have attended the first day of school for the current school year prior to submission of an application. Applications are submitted annually and must be **postmarked within 60 days of the child's first day of attendance**. The last day to submit an application is May 15, 2019.

**Basis of Application Approval:** SSRF are available only in the **initial year of enrollment in the LEA** for a child with disabilities. Approval is based on availability of funds, the number of applications received for eligible children and the documented high cost needs of the children with disabilities presented. The funding description for these funds in PRC 063 is "Reserve-Severely Handicapped" which further emphasizes that funds are for children with a high level of need. Examples of documentation to support the child's needs include the following: child's IEP (specific supports requested must be documented in the IEP), services or equipment, assessment summaries and recommendations for services and/or equipment, physician letter or other type of medical documentation. The funding requests in the application must be supported by documentation for the personnel or equipment requested.

A child who was enrolled in the LEA during the previous year may be eligible for SSRF if he/she has experienced a **change in condition** that results in an IEP team putting in place additional services after assessments or other documentation have been reviewed. The change is not expected and could not have been anticipated.

- Two examples of a change in condition:
  - A child was not identified as an exceptional child, but due to an injury and the completion of the eligibility process, was found eligible by an Individualized Education Program (IEP) Team. Due to the child's level of need, a personal care assistant is required in order for the child to attend school. As a result of the changes, the child is identified as an exceptional child and has documented high cost needs that the LEA was not financially prepared to address.
  - A child was identified as an exceptional child, but after reviewing reevaluation documentation, the IEP team has determined that the child is in need of a 1:1 spoken language facilitator. The LEA had not anticipated the need for the additional personnel and, therefore, had not planned for the expense of the spoken language facilitator's salary.

**Child Ineligibility:** A child will be considered ineligible for SSRF if any of the following apply to the child and LEA:

- Child does not present with having high needs as per responses on application.
- There is not sufficient documentation to support funding request.
- LEA has not provided documentation demonstrating that necessary interventions, resources and supports have been put in place to address the child's needs.
- Enrolled for more than sixty (60) calendar days (application must be postmarked within the 60 days).
- Enrolled during the previous school year, but does not meet eligibility requirements under a change in condition.
- Received any of the following funds in the previous school year in the current LEA:
 

○ Special State Reserve Funds (PRC 063)	○ Federal IDEA, Part B, 611/619
○ Average Daily Membership (ADM)	○ Risk Pool Program Funds (PRC 114)
○ State Exceptional Children Funds	○ Group/Foster Home Funds (PRC 060 & 032)
○ Behavioral Support Funds (PRC 029)	○ Developmental Day Funds (PRC 063)
○ Out-of-District Funds	○ Community Residential Funds (PRC 063)

- Received any of the following funds in current school year in the current LEA:
  - Behavioral Support Funds (PRC 029)
  - Out-of-District Funds
  - Risk Pool Program Funds (PRC 114)
  - Group/Foster Home Funds (PRC 060 & 032)
  - Developmental Day Funds (PRC 063)
  - Community Residential Funds (PRC 063)

**Funding requests** must consider projected and actual costs of personnel benefits, the need for substitute personnel and the child's historical attendance (frequent absences decrease costs of some services). When costs are overestimated, the number of children state-wide who benefit from grant funds decreases, resulting in children who are denied funding due to lack of funds.

- Prorating costs for teachers or other school staff cannot be used in the calculation of the cost of special education and related services.
- SSRF are child specific grant dollars; therefore, **personnel** whose salaries are funded with SSRF can work only with the child who is named in the SSRF application (one child per application). If the child withdraws from the LEA, personnel funded with SSRF can no longer be supported with those funds. The maximum period of employment for personnel salaries funded via an approved SSRF application is the ten (10) calendar months for the LEA receiving the funding. Entry-level salaries noted in the current state salary schedule are to be used when requesting personnel funds. Locally provided benefits and supplements are not fundable expenditures. Policies regarding personnel also apply to **contracted persons**. Contractor compensation fund requests are not to exceed the portion of the contractual compensation amount for the services provided to the child named in the application.

**Equipment** requests must include a copy of the relevant evaluation(s) (i.e., PT, OT, SLP, Assistive Technology, etc.) and the Individualized Education Program (IEP) to justify the need for the child. An invoice or official itemized quote from the vendor that includes items needed and prices must also be submitted with the application. Any equipment purchased for a child with SSRF must accompany the child if the child transfers to another LEA in North Carolina. If the child moves out of North Carolina, the equipment remains with the LEA. Consumable supplies are not a fundable expenditure.

**Approval notification** will be provided via a letter, sent by postal mail, to the Exceptional Children Program Director/Coordinator. The letter will state the exact amount allocated and how the allocated funds can be spent.

- These funds are child specific and can only be used as specified in the approval letter and as described in the original application.
- Notification of approved application(s) will be sent to the School Allotment Section. The finance officer will receive an allotment revision report indicating the amount approved under PRC 063 (traditional LEAs) or PRC 036 (Charter LEAs).

**Denial of request:** All requests will be reviewed by the Exceptional Children Division. If the request is denied, the LEA will be notified via a letter, sent by postal mail, to the Exceptional Children Program Director/Coordinator indicating the reason for denial.

**Amendment of Requests:** If amendments are needed in a child's original application or budget, or there is a need to utilize these funds differently, the LEA must notify the Exceptional Children Division in writing via fax or postal mail. The Exceptional Children Division will approve or deny the requested amendments or the changes in the utilization of the approved funds via electronic mail. The electronic mail message must be printed and attached to the LEA's copy of the application to serve as documentation of the approved or denied changes.

**Withdrawals or changes in services:** The Exceptional Children Division must be notified of any change in the child's status, eligible services, or withdrawal no later than **ten (10) calendar days** after the change by submitting a completed SSRF-2, *Special State Reserve Update*. If the child has withdrawn and additional time is needed due to outstanding invoices for payment of services, contact the Special Projects Consultant.

**Reverting Funds:** Funds are to be reverted any time during the school year when it is known that some or all funds will not be needed. When funds are reverted early, they can be reallocated to benefit a child whose application was previously denied due to lack of funds.

SSRF may revert for various reasons. Several examples follow:

- The child approved for funds no longer needs the services designated on the application (i.e., child withdraws/ leaves the LEA, child is placed homebound or child's day has been modified).
- The child no longer needs the level of services specified in the initial application (i.e. 1:1 no longer needed).
- The IEP Team determines the child no longer qualifies for services.
- The child had many absences and a contractor is invoiced only for days the child attends school.
- As LEAs conduct quarterly reviews of expenditures, it is realized that funds will be remaining.

**Reuse of Funds:** Unless approved by the Exceptional Children Division, funds cannot be used for another child or for a child's application that was not funded due to unavailability of funds (all funds were allocated). Request for reuse of funds for another child with an approved application on file with the Exceptional Children Division may be made using the SSRF-2, *Special State Reserve Update Form*. The LEA's EC Director/Coordinator will receive a notification of approval or denial for the request.

**Validation Visits:** The Exceptional Children Division, Special Projects Consultant may schedule a validation visit to verify the use of Special State Reserve Funds.

- LEA selection for visits may be targeted based on risk factors or SSRF application requests. Selection may also be random. A visit for validation of Special State Reserve Funds may be combined with a visit for Risk Pool Program Funds.
- Visits are typically scheduled to take place during 3<sup>rd</sup> and 4<sup>th</sup> quarter after the bulk of applications have been received and funds have been allocated.
- The LEA will provide an escort for the visiting Special Projects Consultant to assist with traveling to the school(s) where the child(ren) is/are in attendance, checking in at school, introductions of staff, etc.
- The visit will include interviews with staff paid with SSRF, meeting the child benefitting from the funds, and a review of the child's expenditures
  - LEA will need to provide a copy of an official financial report showing expenditures.
- If it is determined that funds were not spent as per application approval and SSRF parameters, LEA will receive written notification of any corrective action that will need to be taken, along with due date for submitting corrections.
- Corrective action may include repayment of funds.

## **Fiscal Requirements for Special State Reserve Funds**

- Special State Reserve Funds are child specific. The amount provided for the child named in the application must be used for only him/her. Without appropriate approval, funds designated for one child cannot be used for another child's expenses, even when the other child is also a recipient of Special State Reserve Funds.
- Costs for special education and related services must be for direct services to the child named in the application. Funds cannot be used to support other children. Examples:
  - During the period of time a child is receiving related services funded via SSR funds, other children cannot participate in the therapy session.
  - If a personal care assistant is funded via SSR funds, the assistant cannot serve in the role as a classroom teaching assistant. Furthermore, the assistant cannot serve as a substitute when the child is absent unless paid from a funding source other than SSR funds.
- Special State Reserve Funds are not to be used to support special educational methodologies, create new classes, provide transportation, and/or purchase consumable materials. Costs must show excess in personnel required, assistive technology and specialized equipment, etc.
- These funds may not be used to contract for special education and/or related service(s) to serve the child outside the LEA.
- Special State Reserve Funds cannot be used for reimbursement of a previous year's expenses.
- Funds may only be used for services described in the original application. Any amendments to the application and budget must be submitted in to the Special Projects Consultant in writing via postal mail or fax for review. LEA will receive a notification of approval or denial of the request.
- LEAs are encouraged to conduct quarterly reviews of expenditures to monitor funding balances. If it is noted that there are unspent funds, these should be reverted or reused early on. When requests for reversions or reuse of funds are submitted too late in the year, other children may not be able to benefit from funds.
- During the school year, unused funds must be returned using the SSRF-2 within ten (10) days of the child's withdrawal or change. If additional time is needed due to outstanding invoices, contact the Special Projects Consultant by phone.
- For children enrolled the entire year, the SSRF-2 is due by June 30<sup>th</sup>.
- All unused funds will revert on June 30<sup>th</sup> of each year.
- Special State Reserve Funds do not carry over and must be expended by June 30<sup>th</sup> of each year.

## Instructions for Completing the Special State Reserve Funds Application (SSRF-1)

The application is a fillable Microsoft Word format. Navigate between fields using the tab key or mouse click. The completed application must be printed, signed, and a copy with original signatures submitted via postal mail with supporting documentation. Application package must be postmarked within sixty (60) calendar days of the child's enrollment in the school system.

### PART I: LEA Information

**Enter** the LEA name and the LEA number.

**Select** Region name from the drop-down list.

**Enter** EC Director Information.

### PART II: Child's Information

**Enter** the child's name, date of birth, and NC Student ID (PowerSchool number).

**Select** check box for gender.

**Select** the following from corresponding drop-down lists: ethnicity, disability, and IEP current placement.

**Enter** the date the application is completed.

**Enter** the date the child attended the first day of school in the LEA. Application is not to be submitted until the child not only enrolls, but also attends school.

- **PowerSchool enrollment/transfer record must accompany the application** to support date of official enrollment.

**Enter** the name, city and state of the school system the child last attended.

**Select** "Yes" or "No" check boxes to answer question about Change in Condition (see page 2 for more information).

- If "Yes," attach documentation supporting/describing the decisions made by the IEP team that resulted in changes and additional services needed by the child.

### PART III: Child's Needs and Services

*All funding requests must correspond to the child's documented needs and services.*

**Select** appropriate check boxes to answer questions pertaining to the child's needs and services.

**Complete** narrative responses.

**Attach** supporting documentation (examples of documentation may include IEP program participation, IEP service delivery and other appropriate supporting documentation demonstrating the child's high needs).

**PART IV: Funds Requested** – Allowable expenditures may be found in the *Uniform Chart of Accounts* (PRC 063 for traditional LEAs and PRC 036 for Charter Schools).

**Request must correspond** with documented needs presented in Part III.

- LEAs must take into account the projected actual costs of the child's needs. Considerations include state provided personnel benefits (local benefits are not an approvable expense), the need for substitute personnel and the child's historical attendance (frequent absences decrease costs of some services making 180 days of funding not necessary).
- Entry-level salaries noted in the current state salary schedule are to be used.
  - If the LEA has determined that only an experienced person can meet the needs of the child, an explanation must be provided when describing the child's needs in Part III.

**Complete** narrative response.

**To enter data in the table**, use the tab key between fields.

- Enter a description of the request (example: Contracted Nurse).
- Enter the budget code for which funds are requested (example: 01.5840.063.311).
- Provide the exact amount of funds requested.
- Attach invoice or official quote for materials/equipment request
- Total funds requested and enter total in gray box.

## Part VII: Certification

By signing the application with original signatures, the Superintendent, Finance Officer, and Exceptional Children Director/Coordinator are acknowledging and certifying the following:

1. The SSRF-2, *Special State Reserve Funds Update*, is required from all LEAs/Charter Schools receiving Special State Reserve Funds to provide a detailed update on the child's status. Failure to submit the SSRF-2 will prevent the LEA's participation in Special State Reserve funding for 2019 – 2020.
  - If a child's status has changed (i.e., the child is no longer enrolled or services are no longer needed), the SSRF-2 is to be submitted no later than ten (10) calendar days after the change.
  - For children who are enrolled through the end of the school year, the SSRF-2 must be postmarked on or before June 30, 2019.
2. The services requested are needed to provide appropriate special education services for the child named in the application.
3. The LEA will notify the Department of Public Instruction, Exceptional Children Division, immediately after it has been determined that funds will not be used as proposed by submitting a completed SSRF-2, *Special State Reserve Funds Update*. Funds will be reverted to the School Allotment Section at the direction of the EC Division.
4. On June 30<sup>th</sup>, all remaining unspent and contractually uncommitted Special State Reserve funds will be reverted to the School Allotment Section.
5. The LEA has committed available funds to provide appropriate special education and related services to the child named in the application. Special State Reserve Funds (SSRF) are not guaranteed, and they are not intended to replace any existing state, federal or local exceptional children funds. If available, these additional funds will be used only for the child named in this application.



## Instructions for Completing the Special State Reserve Funds Update (SSRF-2)

One form per child. The form is in fillable Microsoft Word format. Navigate between fields using the tab key or mouse click.

*A Special State Reserve Funds End-of-Year Update (SSRF-2)* is required from all LEAs receiving Special State Reserve Funds to provide a detailed update on the child's status. Failure to submit the Update will prevent participation in Special State Reserve Funding for 2019-2020.

When to submit the SSRF-2:

- **During the school year when a child's status changes** (i.e., a child is no longer enrolled or services are no longer needed), the form is completed **no later than ten (10) calendar days after the change**.
- **During the school year when some or all of the funds are not needed**, or when the LEA is requesting to use funds from one child for another child who has an approved application on file with the Exceptional Children Division that was denied due to lack of funds.
- For a **child who is enrolled through the end of the year**, this form is completed at the end of the school year with a **due postmarked on or before June 30, 2019**.

### PART I. LEA and Child's Information

**Enter** the date the form is completed, located above and to the right of the LEA Information box.

**Enter** the LEA name and the LEA number.

**Enter** the child's name, date of birth, and PowerSchool number).

**Select** the following from corresponding drop-down lists: disability and IEP current placement.

### PART II. Financial Update

**Complete any time it is requested for funds to be reused or reverted.**

**Due by June 30<sup>th</sup> along with Part III below.**

**Enter** the amount of funds allocated; this would be the funds the LEA received. It is noted on the approval letter mailed to the EC Director/Coordinator.

**Enter** the child's approved expenditures; use the LEA's financial records to calculate the expenditures for the child. Refer to the approval letter mailed to the EC Director/Coordinator for the type of expense that is approved.

**Enter** the amount (if any) that the LEA intends to retain until June 30<sup>th</sup>.

Below the table, at the asterisk, **select** the reason the LEA is retaining a balance.

**Enter** the amount (if any) the LEA is reverting to DPI.

### PART III. Child's Update

**Complete during the school year only when a child has withdrawn or no longer needs the services.**

**Due by June 30<sup>th</sup> for all children benefitting from SSR funds.**

**Select** "Yes" or "No" check boxes to answer question whether the child is currently enrolled.

- If "No," enter the withdrawal date and complete only the "Child Update" section.
- If "Yes," complete the "Child Update" section and answer the two questions.

### PART IV: Required Signatures

Original signatures are required from the Exceptional Children Program Director/Coordinator, Finance Officer and Superintendent prior to submitting via postal mail.